MINUTES
of the
KEENE CITY COUNCIL

THURSDAY, JUNE 11, 2019

PRESENT: Mayor Gary Heinrich, James Belz, Robert Cooper, Rob Foster, Cheryl Schram and Gwen Beeson.

ABSENT: Lisa Parrish

CALLED TO ORDER: Called the meeting to order at 6:03 PM.

Invocation & Pledge of Allegiance & Texas Pledge
Mayor Heinrich gave the invocation and led the Pledge of Allegiance and Texas Pledge.

2. Mayor's Comments.

Mayor Gary Heinrich announced that last weeks meeting had a quorum to have a meeting but not a voting quorum. Council will be acting on a lot of the items that were discussed last week.

1. Public Comments.

No public comments.

3. Discussion and possible action regarding the minutes dated April 25, 2019.

Robert Cooper made a motion to approve the minutes dated April 25, 2019. Seconded by James Belz. The motion carried unanimously, 5-0-0.

4. Discussion and possible action regarding Cheryl Estes as Designee City Manager.

James Belz made a motion to appoint Cheryl Estes as Designee City Manager. Seconded by Cheryl Schram. The motion carried unanimously, 5-0-0.
5. Discussion and possible action regarding an Interlocal Agreement with Johnson County regarding CR 317.

Mayor Heinrich stated that this is an agreement with Johnson County to chip and seal CR 317 from the railroad tracks to Hwy 67 for $19,067.

Robert Cooper made a motion to approve the Interlocal Agreement with Johnson County regarding CR 317. Seconded by Rob Foster. The motion carried unanimously, 5-0-0.

Mayor Heinrich stated that the City is responsible for getting the road ready. That means filling the potholes. The money will come from street maintenance.

6. Discussion and possible action regarding the appointment of Amber Bransom to assume responsibility for online banking and positive pay.

Cheryl Estes stated that the City Manager is responsible for online banking and positive pay. As the Finance Director and Interim City Manager, these duties need to temporarily go to Amber Bransom until a City Manager is hired.

Robert Cooper made a motion to approve Resolution No. 201-363, appointing Amber Bransom to assume responsibility for online banking and positive pay. Seconded by Rob Foster. The motion carried unanimously, 5-0-0.

7. Discussion and possible action regarding the Code of Ordinances 2019- S-8 Supplement.

Mayor Heinrich stated that this is to codify the Code of Ordinances.


8. Discussion and possible action regarding the financial reports for April 30, 2019.

Cheryl Estes went over the financial reports. General fund expenditures at 52.62% of budget with expected at 58.33%. Water/sewer operating fund at 52.36% of budget expected at 58.33% after budget revisions.
Debt services fund expenditures at 64.35% which is higher than expected is normal for this fund as some debt will be paid off before year end. Capital project fund for governmental funds are reported over the life of the project which includes multiple years. All ongoing CIP are within budget and include: Purchase order module to be implemented by June 30, 2019. Shady Oak Street project, currently waiting on final invoice and punch list to be completed. OSSI project is still ongoing and within budget. FY 18-19 street projects but no streets have been identified yet. Individual line items worth noting are as follows: Sales tax revenue increased by $23,054 or 8.38% when compared to sales tax revenue for the same time last fiscal year. Municipal court fines and warrant revenue ended at 74.28% of budgeted revenue. The beginning fund balance for the water/sewer operating fund has been adjusted to represent working capital which is calculated as current assets minus current liabilities. When full accrual accounting is used for reporting purposes, it is necessary to calculate a more accurate fund balance for budget purposes than what is reported in the financial statements as unrestricted fund balance.

Robert Cooper made a motion to accept the financial reports for April 30, 2019. Seconded by Gwen Beeson. The motion carried unanimously, 5-0-0.

9. Discussion and possible action regarding budget revision to Water/Sewer Capital Projects to repair/rehab water wells.

Cheryl Estes stated at the May 23rd meeting, the City Council requested that staff find funding to cover the costs to repair/rehab the City’s water wells. According to the City Engineer, total costs to repair/rehab the wells, pumps, and storage areas is estimated at $198,300. We can reduce the scope of Hyline sewer phase 1, lift station only and use the water/sewer fund balance. The water/sewer operating fund is projected to end the fiscal year with a fund balance of $736,175 after funding the water well projects. The ending fund balance after this budget revision represents 79 days of operating reserves.

Gwen Beeson asked about the $198,300. When the engineers presented that total to Council, they broke it down to each well with line item repairs. It was suggested that some of those things can be done in house to save money. Is fence fixing part of this total?
Cheryl Estes stated that it is all included whether we do it in house or contract it out.

Don Martin stated that the jobs that are done in house, only the material would be additional cost.

Mayor Heinrich asked if Public Works had the manpower.

Don Martin stated yes.

Cheryl Schram stated that she would like to see what the difference is between in house versus contracted. In the past, this should have been scheduled maintenance. Hopefully, after the City puts money back into these items, the maintenance will be kept up this time.

Don Martin agreed. A maintenance schedule is being implemented to keep up with everything.

James Belz stated that he has been asked if all our water towers are working.

Don Martin stated that yes, all water towers/storage tanks are working. As of Sunday morning, well #1 motor shorted out and is no longer working. The electricians were out there yesterday. They will pull it out of the ground and see what is wrong with it. Also, on Sunday, well #6 developed a leak on the bottom of the tank. It is currently being drained and is down to 2 inches, but it is still draining from underneath the tank. We have someone coming out to give us an estimate to rehab that tank.

James Belz asked if there was money in Public Works budget for these repairs.

Don Martin stated that there is some in the PW budget, but some will need to come from other funds.

Mayor Heinrich asked where well #1 and well #6 is.

Don Martin stated S. College and Bluebonnet.

Cheryl Schram asked how often the wells are inspected.

Don Martin stated annually.
Cheryl Schram asked if previous inspections notified us of maintenance issues.

Don Martin stated yes.

Mayor Heinrich asked if well #1 and well #6 was puluxy or trinity.

Don Martin stated both wells are trinity.

Rob Foster asked if more than $198,000 will be needed for this project.

Don Martin stated that he will not know until the estimates come back. However, it most likely will increase. Well 1 will be at least $50,000. Most of the items on the list are maintenance issues. Mr. Martin stated that he has talked to the electricians. We have 480 volts going down to the well with three different phases 1,500 feet in the ground and then it is hit with all that juice with 1,500 feet of head pressure and that is what is tearing up the motors every five years. The electrician has some ideas about putting in slow spark circuits. That way it can ram up slowly. That may add about three years onto the life of the motor along with regular maintenance.

Cheryl Estes stated that this didn’t come up until Monday, so it is not part of the report. However, since the amount will need to come in front of Council it can be addressed at that time.

Cheryl Schram made a motion to approve the budget revision to Water/Sewer Capital Projects Fund to repair/rehab water wells. Seconded by James Belz. The motion carried unanimously, 5-0-0.

10. Discussion and possible action regarding the use of a Buy Board contractor to rehab Well 11 for an amount not to exceed $95,700.

Cheryl Estes stated that because the cost is greater than $50,000 the City Council must approve the expense before it occurs, and the City is required to follow State purchasing laws. State purchasing laws require competitive bidding which takes several months to complete. Until this well is back online, the City is purchasing treated water at a significantly higher rate which is negatively impacting the water/sewer operating budget. In lieu of competitive bidding, cities may utilize Buy Board to find State-approved contractors. These contractors register and contract with the State to provide services at a much lower rate if a City is a member of Buy Board. By using Buy Board contractors, the bid process is not
required, and projects can be completed much faster and at a reduced cost.

Gwen Beeson asked if there was anyone on that list that we have used before.

Cheryl Estes stated that she is not sure at this time. Amber Bransom is the buyer for the City and she has already contacted one of the contractors. Their name is IDIQ out of Waco and they have already come out to look.

**Rob Foster made a motion to approve the use of Buy Board contractors to rehab Well 11 and for the amount not to exceed $95,700. Seconded by James Belz. The motion carried unanimously, 5-0-0.**

11. Discussion and possible action regarding the selection of an advisory committee for the City Manager position.

Mayor Heinrich nominated Mayor Pro-Tem, Gwen Beeson, Mayor and James Belz. This will avoid a quorum and meet the Open Meetings Act.

Cheryl Schram asked if the group will only be narrowing down the applications.

Mayor Heinrich stated yes. However, Council is encouraged to visit with Amber Bransom to review all the applicants.

James Belz stated that this will be a long process. There are several applicants that are well qualified.

**Cheryl Schram made a motion to appoint Mayor, Mayor Pro-Tem, and James Belz to the advisory committee. Seconded by Rob Foster. The motion carried unanimously, 5-0-0.**

Cheryl Estes stated that she told Amber to make sure that Council sees all applicants. Staff wants to make sure that only Council is part of the process.

12. Discussion and requests for future items on the agenda.

Mayor Heinrich requests that a joint meeting be scheduled with the A and B Board.
Cheryl Estes stated that citizens have suggested a Town Hall Meeting. Would prefer the City Attorney's be present to answer any legal questions concerning the boards.

It was agreed to try and schedule the Town Hall/Council Meeting on June 18th at 7:00 PM.


Cheryl Estes stated that budget is a three-month process. Cheryl Estes requested to know who will be on the budget committee and handed out a new budget calendar. This process will include where the City has been financially, we are now and find out where Council wants to go. We are here to get direction from Council. Cheryl Estes also handed out a comparison budget with similar cities.

Mayor Heinrich asked about the Animal Shelter.

James Belz stated that Mr. Wright went by the shelter and met with Christina to tour the facility. James Belz asked Mr. Wright what it would take to bring the shelter up to code and shared those views.

Mayor Heinrich asked about who wants to be on the budget committee and stated that Lisa Parrish wanted to be on the committee. Mayor Heinrich volunteered too.

Cheryl Schram stated that she would volunteer.

Rob Foster made a motion to approve the Budget Committee as Mayor Heinrich, Lisa Parrish and Cheryl Schram. Seconded by James Belz. The motion carried unanimously, 5-0-0.

Mayor Heinrich stated that he would like to attempt to hire the three firemen and fix the shelter.

Gwen Beeson believes that the position as Code Enforcement and Animal Control should work. Unless there is more involved that needs to be explained.

Mayor Heinrich stated that if it's possible with the budget the position should be split.
Cheryl Schram stated that Council needs to see it split in the budget and then decide.

James Belz asked to get a better idea of Christina's daily duties.

Cheryl Estes stated that she would get Council a job description.

James Belz stated that Christina has expressed that she is overwhelmed with her duties. Council needs to know if that is fact. How many hours does she put into each job.

Cheryl Schram stated that Council also needs to know who assists Christina and how many hours they put into this job.

Cheryl Estes asked if there was anything else that Council would like to see before the next workshop.

Gwen Beeson asked for a breakdown of the maintenance on the ambulance that has been done and what that maintenance costs. We are also talking about three firemen and a fire truck. Can the ambulance be put off for one more year? Also, would like an update regarding the grant for the weather alert system.

Chief Dan Warner stated that currently the City has two ambulances, one is in reserve. The last maintenance done on the ambulance was the airbag over the rear suspension. The remainder of the maintenance list will be brought to Council. We could potentially hold off on a new ambulance for a year, but it is pertinent that we try and find a way to fund that. We are looking at hiring three firemen. Regarding the grant we are patiently waiting on an answer. The fire truck can be put off, but we need to start preparing for a purchase.

James Belz asked Chief Warner if he had to choose between an ambulance or three firemen, which would you choose.

Chief Warner stated that he would choose the three firemen.

Mayor Heinrich stated that Council has been receiving emails regarding the validity of appointing Cheryl Estes as Interim/Designee City Manager. Mayor Heinrich read aloud an email from the City Attorney regarding Cheryl Estes as Interim/Designee City Manager. “I have reviewed the email sent by Keith Jilge to Mayor and Council regarding tonight's special meeting and the potential appointment of the Designee City Manager. As
Mr. Jilge correctly noted that the City Charter does require four affirming votes from Council to appoint a permanent City Manager and to establish the permanent City Manager's compensation. No appointment of a permanent City Manager is under consideration for this meeting as the agenda is specific to the item under consideration. The Charter does not impose the same permanent City Manager requirements when a City Council appoints an Interim or Designee City Manager. The term interim and designee are interchangeable in this context. The position only requires that the Council approve that person who will perform the duties of the office with the approval of the City Council. See Section 5.01D. There is no particular vote requirement to appoint an Interim or Designee City Manager other than that imposed by Charter, Section 3.08F. All matters may be passed by majority of the quorum. Unless there is a particular charter section that provided otherwise. So, for an appointment of a Designee/Interim City Manager, four Council Members present which is the minimum charter requirements for a quorum, it will take three yes votes. If five Council Members are present, it will also take three yes votes. If six Council Members are present, it will take four yes votes. On the salary issue, the Charter does not require anything particular to approve a temporary salary adjustment for an Interim City Manager. If the Council deems it appropriate they can provide a temporary compensation adjustment during the time they serve and continue to serve as Interim City Manager. "Hopefully this will clear it all up.


The meeting adjourned at 7:29 PM.

By:  
Gary Heinrich, Mayor

Attest:  
Holly Owens, T.R.M.C., City Secretary